

Committed to the future of rural communities.

Chad Padgett, Acting State Director



Business Programs

- Business and Industry Loan Guarantee
- Intermediary Relending Program
- Rural Business Enterprise Grant
- Rural Business Opportunity Grant
- Value Added Producer Grant
- Renewable Energy/Energy Efficiency Program



Business and Industry Guaranteed Loan Program

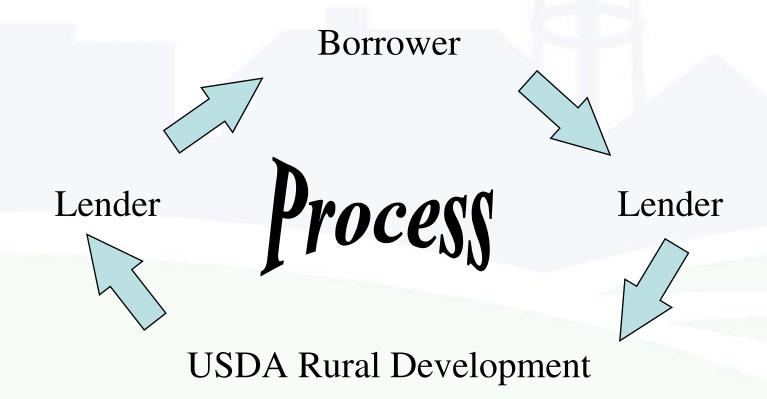
Intent

 Improve the economic climate in rural communities through development or expansion of business and industry and enhancement of employment opportunity.

How achieved

 By bolstering the existing private credit market through the guarantee of quality loans which will provide lasting community benefits.

Business and Industry Guaranteed Loan Program





Business and Industry Guaranteed Loan Program

- Business and Industry Loan Guarantee
 - Guarantee loans made by commercial lenders
 - Most businesses qualify
 - Reduced fee for businesses located in areas not connected to the road system
 - Maximum loan \$25,000,000

Intermediary Relending Program

- Non-profits, public bodies, Native Tribes
- Money used to establish a revolving loan fund
- RLF makes loans to private businesses that cannot qualify for commercial credit
- Intermediary sets rate and term for loans

Rural Business Enterprise Grant Program

• Eligible applicants:

- Non-profit corporations
- Public bodies
- Native groups

Funds cannot be used to produce agriculture products through growing, cultivation, or harvesting except for commercial nurseries, timber operations, or limited agricultural production related to technical assistance projects.

• Eligible Grant Purposes:

- Land acquisition
- Construction, conversion, enlargement or repair
- Technical assistance
- Revolving loan funds
- Business incubators



Rural Business Opportunity Grant Program

Eligible applicants:

- Non-profit corporations
- Public bodies
- Native groups
- Cooperatives

Eligible Grant Purposes:

- Technical assistance
- Economic development planning



Value-Added Producer Grant

The VAPG program is intended to provide grant funds to agricultural producers for planning activities and working capital expenses to assist them in receiving a greater share of the consumer's dollar for value-added agricultural products.



VAPG Eligibility

- Applicant eligibility
- Matching eligibility
- Product eligibility



Applicant Eligibility

- Independent Producer
- Farmer or Rancher Cooperative
- Agricultural Producer Group
- Majority-Controlled Producer-Based Business Venture



Matching Eligibility

- Matching funds of at least 50% of total project costs are required
- Match must be spent at a rate equal to or greater than grant funds
- Match must be provided by the applicant or a third-party in the form of cash or in-kind funds
- Match must be spent on eligible purposes and must be from eligible sources



Product Eligibility

- Change in physical state (e.g. lamb chops, diced tomatoes)
- Differentiated production or marketing (e.g. organic) must reference a business plan
- Product segregation (e.g. identity-preserved corn)
- Farm-based renewable energy



Renewable Energy and

Energy Efficiency Improvements Grant Program

Designed to assist small businesses and agricultural producers with energy projects that will reduce America's dependence on fossil fuels.



RE/EE Program

- Important definitions:
 - Renewable energy: Energy derived from a wind, solar, biomass, or geothermal source; or hydrogen derived from biomass or water using wind, solar or geothermal energy sources
 - Renewable energy system: A process that produces energy (including fuel) from a renewable energy source
 - Energy efficiency improvement: Improvements to a facility or process that reduce energy consumption

Project Eligibility

- Proposed projects must:
 - Be for the purchase of a renewable energy system or to make energy efficiency improvements
 - Be for a pre-commercial or commercially available and replicable technology, not for research and development
 - Be technically feasible
 - Be located in a rural area (outside Anchorage)

Grant Funding

- Up to 25% of the eligible project costs
 - The only eligible project costs are those costs outlined in RD Instruction 4280-B
- Applicant provides at least 75% of eligible costs.
 - Applicant in-kind usually not allowed. Third party in-kind may be allowed but is limited.
 - Other Federal grants typically cannot be used as match.



Grant Funding

- Maximum amount of grant assistance to one individual or entity is \$750,000
- Renewable energy projects:
 - Minimum grant: \$2,500
 - Maximum grant: \$500,000
- Energy efficiency improvement projects:
 - Minimum grant: \$2,500
 - Maximum grant: \$250,000



Application Process

- Applications submitted to State Office
- SO reviews for completeness and scores
- Technical review done at DOE's NREL
- Results submitted to NO for funding competition
- Funding cycles announced in NOSA each year



How competitive is the program?

In fiscal year 2007 about 40 percent of the complete applications received by USDA Rural Development were funded. Most awards were between \$10,000 and \$25,000.



Resources

- http://www.rurdev.usda.gov Links to:
 - Available funds
 - Energy Initiatives
 - Regulations (RD Instruction 4280-B)
- http://www.rurdev.usda.gov/rbs/coops/vadg.htm
 - Value-Added Producer Grant

nitted to the future of rural communities.

Who to contact?

Dean Stewart, Director of Business Programs

Phone: (907) 761-7722

dean.stewart@ak.usda.gov

Renee Johnson, Business Programs Specialist

Phone: (907) 761-7712

renee.johnson@ak.usda.gov



Additional Information

- Department of Energy
 - National Renewable Energy Lab: http://www.nrel.gov/programs
 - Office of Tribal Energy: http://www.eere.energy.gov/tribalenergy/
- Database of State (and Federal) Incentives for Renewables & Efficiency http://www.dsireusa.org/
- Alaska Energy Authority: http://www.aidea.org/aea/programsalternative(2).html
- Alaska Energy Portal: http://www.akenergy.net/
- Renewable Energy Alaska Project (REAP): http://www.alaskarenewableenergy.org/





Committed to the future of rural communities.

